

Attachment 11

Ancillary Services Work Group List of Issues Addressed at 8/28/00 Meeting

1. Implementation Plan Update. Work Group recommended that two several plans/schedules be developed for policy makers to consider. The types of plans considered should focus on completion of all RTO Development. The following are the types of plans recommended:
 - a) An earliest deliverable plan which would result in the earliest first operational step toward achievement of a fully functioning RTO. This might include only single control area operation as a first step for example.
 - b) An earliest to a fully functional RTO plan/schedule.
 - c) An earliest deliverable of a core group of functions plan/schedule (i.e. single control area, A/S procurement and settlements, real time balancing and pricing).
 - d) Others as appropriate.
2. WG recommended that provisions for penalties be included for schedule and actual deviations; these recommendations have been reflected in the draft A/S Appendix.
3. WG recommended that a comprehensive review of the RTO's markets (A/S, FTRs, etc.) be undertaken to determine if market power mitigation provisions should be included in RTO West agreements with generators and loads. For example, in certain geographical areas, such a load pockets, a cost based congestion redispatch provision (or other approach) may be required for certain generators. Several options were discussed (long term contracting, RTO set pricing ceilings, etc.), but there was insufficient time to develop a definitive recommendation.
4. WG recommended a payment approach for IOS services; these recommendations have been reflected in the draft A/S Appendix.
5. Recommended A/S exchange criteria as follows (have been developed in detail in A/S Appendix):
 - a) Must provide data to market monitoring.
 - b) Open to audit.
 - c) Use RTO specified pricing mechanism.
 - d) Interface with RTO's systems.
 - e) Provide for commercial commitment to operate for period of time sufficient for RTO to implement other alternatives if needed.
 - f) Support pay as bid/clearing price approaches and settlements.

6. WG recommended using 10 minutes as basis for settlements based on following conditions:
 - a) Doing so will not require installation of new meters.
 - b) Incremental cost of RTO West settlement system to handle interpolation to ten minutes is not cost prohibitive.
7. WG recommend the following additional areas that need to be addressed in the A/S area:
 - a) Explore potential for must run/must offer resources and how they would be implemented.
 - b) Expand discussion in the appendix of self tracking in general and specifically the performance requirements for self tracking.
 - c) Develop and include in the A/S Appendix the RTO method of defining A/S requirements for the control area and on a sub-control area basis if needed. Include how these requirements are allocated to SCs.
 - d) Clearly delineate in the A/S Appendix the difference between AS and IOS.
 - e) Clarify how A/S services can be imported (over reserved transmission if necessary) into congested zones and into the control area.

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